

DALE SIMS
STATE TREASURERBETH CHAPMAN
DIRECTOR

**TREASURY DEPARTMENT
DEFERRED COMPENSATION PROGRAM**
10TH FLOOR ANDREW JACKSON STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0230
www.treasury.state.tn.us/dc
615-741-7063

January 29, 2007

Dear Participant:

Thank you for participating in the State of Tennessee Deferred Compensation Program. It's your future! Access to a self directed brokerage account (SDBA) through your deferred compensation account is very new. Some participants, such as you, have elected to use this vehicle to invest a portion of their 401(k) and 457 account balances.

The importance of monitoring your account cannot be over emphasized. Using the SDBA to access mutual funds moves the actual cash out of your mainstream Plan-provided mutual funds. You have completed legal paperwork for TD Ameritrade authorizing the cash transfer to the SDBA. Please protect your access codes to your online accounts. Carefully review your account statements from Great West and from TD Ameritrade by comparing the activity in your accounts promptly.

All participants are encouraged to monitor their accounts and statements on a regular basis. We especially encourage this for self directed brokerage account investments as neither the State nor Great West have access to your transactions once you transfer any amount to the TD Ameritrade SDBA.

A copy of the revised SDBA Policy has been posted to the deferred compensation website at www.treasury.state.tn.us/dc. A paper copy is attached for your convenience. Please review it and check on line periodically for updates. The SDBA services increase individual responsibility for investing as you have been told.

Review your accounts online. Contact TD Ameritrade about transactions or balances in that account. Contact Great West at 1-800-922-7772, option 2 if you have questions about your Great West account. Great West is our third party administrator and record keeper for deferred compensation. Great West has account service representatives available to assist you. We hope that these services will help you save for your future.

Sincerely:

Beth Chapman